

**The California Debt and Investment
Advisory Commission**

State Treasurer Phil Angelides, Chair

Presents

**FUNDAMENTALS
OF
DEBT FINANCING**

**May 6-7, 2004
The Westin Pasadena
Pasadena, California**

**California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814**

FIRST CLASS

THE FUNDAMENTALS OF DEBT FINANCING

ABOUT THE PROGRAM

The Fundamentals of Debt Financing is a seminar designed for public finance officials and their staff, elected officials, and other non-profit organizations who need to understand public debt issuance and debt management. This two-day seminar covers the issuer's role and responsibility and the responsibilities of other financing team members when issuing bonds. The program also provides important information on the terms and concepts fundamental to an understanding of the planning and sale of public debt. In addition, an overview of initial and continuing disclosure requirements and an understanding of how credit ratings and investor needs are incorporated into an issuer's bond structuring decisions are covered. An introductory session on bond math is included to provide the attendee basic math concepts utilized in the debt issuance process. The seminar is moderated by the California Debt and Investment Advisory Commission (CDIAC) staff and conducted by expert practitioners who are currently involved in public municipal finance in California.

WHO SHOULD ATTEND

This seminar is intended for public agency officials and their staff interested and/or involved in the issuance of public debt. Representatives of cities, counties, special districts, school districts, redevelopment agencies, and elected officials are especially encouraged to attend.

THE COMMISSION

CDIAC provides information, education and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, the Commission maintains a database of all public debt issued in California, conducts a continuing education program, publishes a monthly newsletter with debt issuance data and informative articles, and conducts research to develop reports, guidelines, and briefs on topical issues.

GENERAL INFORMATION

Registration is limited to public agency officials and their staff. *No walk-in registrations will be accepted.* Full refunds will be made to registered participants if CDIAC cancels or postpones the program. Substitution of officials or staff from the same entity is permitted. **No refunds will be honored for cancelled registrations after the seminar registration deadline of April 14, 2004. Late registration will be accepted after April 14, 2004, if space is available.**

LODGING

Hotel reservations should be made directly with the Westin Pasadena, 191 North Los Robles, Pasadena, CA 91101. Call early for reservations at (626) 792-2727. A special room rate of \$110 is available to seminar participants. When making reservations, please request the group rate for the California Debt and Investment Advisory Commission. *Once CDIAC's room block is filled, the hotel will not honor the contracted rate.*

CDIAC complies with the Americans with Disabilities Act (ADA).

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SEMINAR REGISTRATION FORM

To register, please complete this form and return it before the final registration deadline to the California Debt and Investment Advisory Commission. One form is required for each participant. **Payment of the registration fee must be enclosed.** Registration is limited to public agency officials and their staff. No refunds will be honored after the **registration deadline of April 14, 2004.** Registrations after **April 14, 2004** will be accepted only if space is available. *You will receive a confirmation notice once a registration form and check are received by CDIAC.*

(Please print or type)

NAME _____ E-MAIL _____

TITLE _____

AGENCY _____

STREET _____

CITY/STATE/ZIP _____

TELEPHONE _____ FAX _____

☐ Check here if you require a vegetarian meal for lunch.

Fundamentals of Debt Financing

The Westin Pasadena
191 N. Los Robles Avenue,
Pasadena, CA 91101
(626) 792-2727

Flat Registration Fee: \$225

Or

Registration Fee (with California Debt Issuance Primer*): \$250.00

Enclosed is my check for \$ _____

Make check(s) payable to:

California Debt and Investment Advisory Commission

Mail your registration to:

Seminar Programs
California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400
Sacramento, CA 95814
Phone: (916) 653-3269 FAX: (916) 654-7440

*The California Debt Issuance Primer is a comprehensive reference document regarding public debt issuance in California. While not required for the seminar, the Primer provides seminar participants with an extensive overview of the debt financing alternatives available to California public agencies. It is published by the California Debt and Investment Advisory Commission and is sold to the public for \$25 to cover the costs of printing and mailing. Primers that are purchased in conjunction with the seminar fee will be mailed after the seminar date.

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

presents

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Pasadena, California

Agenda

THURSDAY **May 6, 2004**

MORNING SESSION

- 8:00 AM **Registration and distribution of seminar materials**
Complimentary rolls and coffee
- 8:30 AM **Introduction and Welcome**
- Lisa M. Harris, Executive Director, California Debt and Investment Advisory Commission (CDIAC)*
- 8:45 AM **How to Make Sense of the Debt Issuance Process and Your Role in the Process – Issuer Perspectives:** Two local issuers discuss the issuer's role and responsibilities in the debt financing process, including an overview of some critical considerations for all issuers.
- Jay Goldstone, City of Pasadena*
Mary Vattimo, City of San Diego
- 9:45 AM **Break**
- 10:00 AM **Municipal Bond Industry Professionals and Their Roles:** A local government issuer will introduce members of a typical financing team from private industry. These professionals will share their function and roles. A financial advisor and underwriter will discuss their relationship with an issuer and what an issuer can expect in regards to financial advisory services, underwriter services, and how underwriter compensation is determined. In

- 4:15 PM **Types of Short- and Long-Term Financings (Continued):** This session continues the discussion on financing tools from the prior session.

- 5:15 PM **Reception** *for all participants and speakers*

FRIDAY **May 7, 2004**

MORNING SESSION

- 8:00 AM **Light Breakfast Buffet in Classroom for All Participants**
- 8:30 AM **Understanding Credit Enhancement and Ratings:** This session will provide participants with information about the purpose and process of credit enhancement and its impact on credit ratings. Further, the session will provide an understanding of the credit rating process, how credit ratings and investor needs can influence debt-structuring decisions, and the range of credit factors that rating agencies and investment analysts look at in evaluating the structure of a bond issue.
- Mark Capell, Fitch Ratings*
Melanie Murakami, Sidley Austin Brown & Wood LLP
- 9:30 AM **Initial and Continuing Disclosure:** A disclosure consultant and

addition, a bond counsel and trustee will discuss their functions and roles in a financing. Participants will gain an understanding of terms and concepts related to debt issuance, as well as practical advice from each panel member.

William Reynolds, Gardner, Underwood & Bacon LLC
Rick Hiscocks, Orrick, Herrington and Sutcliffe, LLP
Frank Sulzberger, BNY Western Trust Company
Dawn Vincent, Stone and Youngberg

12:00 PM **Luncheon** for all participants and speakers
Keynote Speaker: Meskerem Tadesse, President and CEO
The Optimize Group

AFTERNOON SESSION

1:00 PM **Basics of Bond Math:** This session will cover bond math concepts essential to understanding the structure and pricing of bonds. Topics such as current yield, yield-to-maturity, duration and present and future value of money in both theoretical and practical terms.

Brett Mateo, Public Financial Management

2:30 PM Break

2:45 PM **Types of Short- and Long-Term Financings:** This session offers a discussion on several of the financing tools available to local issuers ranging from those that are more commonplace and less complicated to tools that are more complex in nature. An issuer and an underwriter will discuss both short- and long-term financing options, and the factors to consider when selecting one type over another. The financing options to be discussed include: tax and revenue anticipation notes (TRANs), commercial paper, general obligation bonds, revenue bonds, certificates of participation (COPs), and variable rate bonds.

Brian Corley, JP Morgan
Kieth Norris, Metropolitan Water District of Southern California

4:00 PM **Break**

a bond counsel discuss municipal disclosure requirements and explain the responsibilities placed on local government officials by the Securities and Exchange Commission. The speakers also provide participants with an understanding of the initial and continuing disclosure processes and considerations that confront local government officials.

Lisa Greer Quateman, Quateman & Zidell LLP
Marshall Eyerman, MuniFinancial

10:30 AM **Break**

10:45 AM **Fundamentals of a Bond Sale:** This session is a review of the critical terms and concepts that are fundamental to an understanding of the sale of a long-term debt issue. A financial advisor offers an interactive presentation of debt issuance terms and concepts such as competitive vs. negotiated sale, true interest cost vs. net interest cost, underwriters' discount and the cost of issuance, rated vs. non-rated issues, and prepricings and pricings.

Tim Schaefer, Fieldman, Rolapp & Associates

12:00 PM **Evaluation and End of Seminar**